

24th

Annual Report
2007-08

SILVER OAK
(INDIA) LIMITED

TWENTY FOURTH ANNUAL REPORT 2007-2008

BOARD OF DIRECTORS	1. Shri Sanjeev Dhody	-Managing Director
	2. Shri Rajeev Dhody	-Director
	3. Shri Sunil Khandelwal	-Director
	4. Shri Joginder Singh	-Director
	5. Shri Harminder Singh Bhatia	-Director

AUDITORS M/S O.T.Gandhi & Co.,
Chartered Accountants,
Indore

REGISTERED OFFICE Plot No.110,
Sector-I, Industrial Area,
Pithampur,Dist. Dhar (M.P.)

INDORE OFFICE 102. 1st Floor,
AA-14, Scheme No. 54,Vijay Nagar,
Opposite Satya Sai School,
A.B.Road,
Indore-452 010 (M.P.)

BANKERS State Bank of Travancore,
Navlakha Branch,
Indore

SILVER OAK (INDIA) LIMITED
Regd.Office : Plot No.110, Sector-I, Industrial Area,
Pithampur, Dist. Dhar (M.P.)

SILVER OAK (INDIA) LIMITED 2007-2008

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held on Tuesday, 30th day of September, 2008 at 11.00 A.M. at the Registered Office of the Company at Plot No.110, Industrial Area, Sector-I, Pithampur-454775, Dist. Dhar (M.P.) to transact the following businesses:

ORDINARY BUSINESS:

01. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 2008, the Profit & Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
02. To appoint a Director in place of Shri Joginder Singh, director of the Company who retires by rotation and being eligible offered himself for re-appointment.
03. To appoint Auditors of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

04. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 198, 269 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act, approval of the Company be and is hereby accorded to the re-appointment of Shri Sanjeev Dhody, as the Managing Director of the Company to hold office for a period of 5 (Five) years commencing from 25/11/2007 on the terms and Conditions set out in the explanatory statement annexed to the notice calling this Annual General Meeting.

By Order of the Board
SILVER OAK(INDIA)LIMITED

Pithampur(M.P.)
11th August,2008

SANJEEV DHODY
Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED, SIGNED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 29th September, 2008 to Tuesday, 30th September, 2008 (Both days inclusive).
4. Members are requested to bring their copies of the Annual Report and attendance slips at the meeting.
5. Members are requested to:
 - a) quote their folio number(s) in all correspondence with the Company.
 - b) notify the Company, change, if any, in their registered addresses along with pin code numbers.
6. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of their Folios.
7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and holidays, between 11.00 a.m. and 1.00 p.m. upto the date of the Annual General Meeting.
8. Shareholders seeking any information with regard to accounts are requested to write to the Company at the earliest so as to enable the management to keep the information ready.

By Order of the Board
SILVER OAK (INDIA) LIMITED

Pithampur(M.P.)
11th August, 2008

SANJEEV DHODY
Managing Director

SILVER OAK (INDIA) LIMITED 2007-2008

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT,1956.

ITEM NO.4:

The Board of Directors of the Company at its meeting held on 25.11.2007 re-appointed Shri Sanjeev Dhody as the Managing Director of the Company with effect from 25.11.2007 to 24.11.2012 subject to approval of members in their next Annual General Meeting. He will be paid remuneration as provided below which has been approved by the Board of Directors after recommending by the Remuneration committee.

1. Salary : Rs.50000/- per month
2. Perquisites : Perquisites as detailed below are allowed in addition to the salary.

CATAGORY A:

- i) Provision of unfurnished residential accommodation at Indore and where no accommodation is provided, a house rent allowance will be paid subject to a ceiling of Rs. 20000/- p.m.
- ii) Reimbursement of Medical and Hospital expenditure for self and dependent parents subject to a ceiling of one month salary per annum.
- iii) Leave Travel Concession for self and family once in a year for travel anywhere in India.
- iv) Personal Accident Insurance for an amount, the premium of which does not exceed Rs. 1,000 per month.
- v) To take key man insurance policy which shall not be included in perquisites.

CATAGORY B:

- i) Company's contribution towards Provident Fund, subject to a maximum of 12% of Salary.
- ii) Gratuity not exceeding the half a month salary for each completed year of service.
- iii) Encashment of leave computed at the last drawn salary.

CATAGORY C:

- i) Provision of Company's Car with or without driver for Company's business.
- ii) Provision of Telephones at residence for Company's business.
- iii) Membership of Club/health club.

Clarification:

The total value for the perquisites in any case shall not exceed the amount of salary as calculated in terms of Income Tax as applicable from time.

None of the other Directors except Shri Sanjeev Dhody himself and Shri Rajeev Dhody being relative are concerned or interested in the resolution.

The Directors recommend the resolutions to be passed as ordinary resolution.

By Order of the Board

Pithampur(M.P.)
11th-August, 2008

SILVER OAK (INDIA) LIMITED

SANJEEV DHODY
Managing Director

SILVER OAK (INDIA) LIMITED 2007-2008

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 24th Annual Report, together with Audited Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS:

	31st March 2008	(Rs.in Lacs) 31st March 2007
Sales and other Income	278.07	262.55
Profit/(Loss) before Depreciation, Interest and Tax	35.79	30.47
Interest	6.92	6.89
Depreciation	6.13	5.86
Profit/(Loss) before Tax	22.74	17.72
Lee:Provision for Tax	9.67	7.86
Net Profit for the year	13.07	9.86
Profit brought forward from previous year	(96.06)	(105.92)
Loss carried to Balance Sheet	(83.99)	(96.06)

DIVIDEND:

In view of accumulated Losses and augmenting funds for increased working capital of the Company, your Directors have decided not to recommend any dividend for the year ended 31st March, 2008.

OPERATIONS:

During the year under review the Company achieved higher turnover of Rs.278.07 Lacs as compared to Rs.262.55 Lacs in the previous year. The Company closed its accounting year with a net profit of Rs. 13.07 Lacs as compared to net profit of Rs.9.86 lacs in the previous year.

FUTURE PROSPECTS:

During the year under review, Company achieved higher production of Indian made foreign liquor as compared to previous year. Your directors wish to inform that the current period of 4 months from April-July, 2008 is also seen with increased trend in production as well as profitability of the Company and hope to maintain the same trend during the whole year. The incremental trend is also seen in the Pharma Division of the Company.

DIRECTORS:

There was change in the directorship since last report of directors.

Shri Joginder Singh, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offered himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

Your Directors state:

1. that in preparation of annual accounts the applicable Accounting Standards have been followed along with proper explanation relating to material departure there from.
2. that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.

SILVER OAK (INDIA) LIMITED 2007-2008

3. that they had taken proper and sufficient care of maintenance of adequate accounting records so as to safeguard the Company's assets and to detect fraud and irregularities,
4. that they had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS:

The Company has not accepted any deposits from public during the year under review.

PERSONNEL:

The Company continued to get full support from its employees and maintained cordial relations with them at all levels. The Directors wish to place on record their appreciation for valuable services rendered by them at all levels.

The information pursuant to Section 217(2A) of the Companies Act, read with the Companies (Particulars of Employees) Rules, 1975 is not applicable to the Company as no employee is paid remuneration exceeding Rs.200,000/- p.m. or Rs.2400,000/-p.a.

AUDITORS:

M/s O.T. Gandhi & Co., Chartered Accountants, Indore, the Statutory Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting. They have signified their consent to accept re-appointment and have further confirmed their eligibility under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in respect of Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo pursuant to provisions of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed as per Annexure "A" which forms part of this Report.

LISTING OF EQUITY SHARES ON STOCK EXCHANGES:

The Company has paid upto date Listing Fees to M.P. Stock Exchange, Indore, The Stock Exchange, Mumbai, and The Stock Exchange, Ahmedabad.

The Members at their Annual General Meeting of 2003 passed requisite resolutions for delisting of Company's Shares from Madras Stock Exchange Limited, Chennai and The Delhi Stock Exchange Association Limited, Delhi. Therefore, the Company has not paid fees to these Exchanges though application for delisting is still pending with them.

CORPORATE GOVERNANCE:

As required under the Listing Agreement with stock exchanges, report on corporate governance and management discussions is attached as Annexure-B, herewith.

ACKNOWLEDGEMENT:

Your Directors take this opportunity to place on record their appreciation for the confidence reposed and co-operation extended to the Company by the Bankers of the Company, State Bank of Travancore, other Banks, Central and State Government Authorities, Business Associates, the family of Shareholders and others.

By Order of the Board
SILVER OAK(INDIA)LIMITED

SANJEEV DHODY
Chairman & Managing Director

Pithampur(M.P.)
11th August, 2008

SILVER OAK (INDIA) LIMITED 2007-2008

ANNEXURE-A

Information under Section 217(1)(e) read Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,1988 forming part of the Directors Report for the year ended 31st March,2008.

FORM "A"

CONSERVATION OF ENERGY:

	Current Year 2007-2008	Previous Year 2006-2007
A. Electricity Consumption:		
1. Electricity		
(a) PURCHASED:		
(i) Units Purchased :	84866	74693
(ii) Total Amount (Rs.) :	534097	439260
(iii)Power cost per unit(Rs.) :	6.29	5.88
(b). OWN GENERATION:		
Through D.G.Set		
(i) Production in Cases :	80653	83774
(ii) Units consumption per case :	1.05	0.89
(iii)Cost of power per case(Rs.) :	6.62	5.24

B. ECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION, RESEARCH AND DEVELOPMENT:

- (i) Specific Areas in which R&D Carried out by the Company and benefits derived as a Result thereof : The Company is engaged in bottling of Liquor for which technology has established in several years. Therefore, no further research is being carried out.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

	Current Year	Previous Year
(i) Earnings :	NIL	NIL
(ii) Outgo(Rs.) :	NIL	NIL

For and on behalf of the Board
SILVER OAK (INDIA) LIMITED

SANJEEV DHODY
Chairman & Managing Director

Pithampur(M.P.)
11th August,2008

**CORPORATE GOVERNANCE REPORT
FOT THE FINANCIAL YEAR 2007-08**

“ANNEXURE-B”

1. A brief statement on Company’s Philosophy on Code Governance:

The Company has always believed in fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and others. The Company is more or less regular in discharging its statutory obligations and duties. The Board of Directors (“The Board”) has had adequate representation of the professional, qualified and experienced, Non-Executive and Independent directors. The Board and committee meetings have been held as frequently as required. Adequate disclosures and information are provided to the board as well as Committee, to ensure the Board exercises its fiduciary responsibilities towards Shareholders and Creditors, thereby ensuring high accountability. All the Directors attending the Board and Committee Meetings actively participate in their proceedings. Decisions at the Board and Committee Meeting are taken unanimously.

2. Board of Directors:

The Board of the Company consists of Five Directors, two of whom are Non-Executive and Independent (NEDs) and One is Non-Executive Director and NEDs are more than 50% of the total number of Directors.

Table 1

Sr. No.	Name of the Director	Cate-gory.	No. of Board Meetings Attended	Atten-dance at last AGM	No. of Other Director-ships *	Outside Committee	
						Ch.	Mem.
01.	Shri Sanjeev Dhody	MD	07	YES	—	—	—
02.	Shri Rajeev Dhody	NED	00	YES	01	—	—
03.	Shri Sunil Khandelwal	NED/I	07	YES	—	—	—
04.	Shri Joginder Singh	NED/I	07	YES	—	—	—
05.	Shri Herminder Singh Bhatia	NED/I	07	NO	—	—	—

* Excludes directorship of Companies other than Public Limited and Foreign Companies.

Abbreviations: MD - Managing Director, ED - Executive Director, NED- Non-executive Director, I - Independent.

3. Board Procedure:

Board Meetings:

During the financial year 2007-08 the Board of Directors met 7 (Six) times: The maximum gap between any two meetings was not more than three months.

The details of the Board meetings held during the financial year 2007-08 are given in the table 2:

Table 2

Date of Board Meeting	Total No. of Directors	Attended by (No. of Directors)
30.04.2007	5	4
30.07.2007	5	4
11.08.2007	5	4
30.10.2007	5	4
19.11.2007	5	4
30.01.2008	5	4
10.03.2008	5	4

4. BOARD COMMITTEES:

a. **Audit Committee:**

i. **Terms of Reference**

The Audit Committee has been mandate with the same terms of reference as specified in clause 49 of the listing Agreement with stock Exchange and also covers all the aspects stipulated under Section 292A of the Companies Act, 1956. The Chairman of the Audit Committee has attended the Annual General Meeting held on 29th September, 2007.

SILVER OAK (INDIA) LIMITED 2007-2008

ii. Composition, Name of Members and Chairman

The Audit Committee consists of three directors in which two are independent Directors. During the financial year ended 31.03.2008 three meetings were held on 30.07.2007, 19.11.2007 and 06.03.2008. The composition of the audit committee and the attendance of each director at these meetings are given in Table 3:

Table 3

Name	Designation	Meeting Attended
Shri Sanjeev Dhody	Member	3
Shri Sunil Khandelwal	Chairman	3
Shri Joginder Singh	Member	3

All the members of the Audit Committee have financial, accounting and marketing knowledge beside the other areas. The Audit Committee meetings are also attended by representatives of Auditors of the Company.

b. Shareholders Committee/Investor Grievances Committee:

The Share Transfer and Shareholders/Investor Grievances Committee consists of two Independent Directors and one managing Director. The Committee is headed by Shri Sunil Khandelwal and Shri Joginder Singh and Shri Sanjeev Dhody were other members of the committee. It deals with the matters of approval of transfer and transmission of equity shares, issue of duplicate certificates, matters relating to Dematerialization of shares and shareholders related issues.

There were periodical meetings of the Committee. There were no shareholder's complaints received during the year 2007-08 and have left unattended at the end of the year.

c. Remuneration Committee:

During the year under review, Remuneration has met on 30.10.2007 to review the remuneration payable to the Managing Director for next five years commencing for the period from 25.11.2007 to 24.11.2012 on the occasion of expiry of five years tenure and also to consider the revision keeping in view of no change in remuneration for last ten years. The Remuneration committee recommended the amount provided in the explanatory Statement attached with the Notice calling next Annual General Meeting.

The remuneration Committee has three directors who are independent directors. They discussed the remuneration payable in detail and there after unanimously approved and recommended to the Board of Directors of the Company, the remuneration payable to the Managing Director.

5. ANNUAL GENERAL MEETINGS:

a. Details of the location and time for last three Annual General Meetings

AGM	Year	Location	Date	Time
21st	2004-05	Regd. Office	30.09.2005	11.00 A.M.
22nd	2005-06	Regd. Office	30.09.2006	11.00 A.M.
23rd	2006-07	Regd. Office	29.09.2007	11.00 A.M.

b. Special Resolutions passed at last three Annual General Meetings:

i) At 21st Annual General Meeting: Nil

ii) At 22nd Annual General Meeting: Nil

iii) At 23rd Annual General Meeting: Nil

6. DISCLOSURES:

a) Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

SILVER OAK (INDIA) LIMITED 2007-2008

There is no instances of non-compliance by the Company and no penalties, strictures etc. imposed on the Company by the Stock Exchange, SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

7. MEANS OF COMMUNICATION:

The yearly and quarterly financial results of the Company are, in compliance of Clause 41 of the Listing Agreement, published in the (English Edition) and (Hindi edition), local vernacular news editions at the place where the registered office of the Company is situated.

The Annual Report is posted individually to all the members entitled to receive a copy of the same.

8. GENERAL SHAREHOLDER INFORMATION

- (a) **Annual General Meeting** : Tuesday, 30th September, 2008
Day, date, time & Venue : at 11.00 a.m. at Regd. Office at
Plot no. 110, Sector - I, Indst.
Area, Pithampur, Dist. Dhar(M.P.)
- (b) **Quarterly Results:**
Results for 1st Quarter : ended 30/06/07-30/07/2007
Results for 2nd Quarter : ended 30/09/07-30/10/2007
Results for 3rd Quarter : ended 31/12/07-30/01/2008
Results for 4th Quarter : ended 31/03/08-30/04/2008
- (c) **Book Date** :
Book Closure Date for : Monday, 29th September, 2008
Annual General Meeting : to Tuesday, 30th September, 2008
2008. (Both days inclusive).
- (d) **Listing on Stock Exchanges** : 1. The Stock Exchange, Mumbai.
2. The M.P. Stock Exchange, Indore.
3. The Delhi Stock Exchange Association, Delhi.
4. The Madras Stock Exchange Ltd., Chennai.
5. The Ahmedabad Stock Exchange, Ahmedabad.
- (e) **Stock Code**
for BSE : - Demat ISIN Number : Company applied for Dematerialization of its shares
- (f) **Market Price Data** : Month The Stock Exchange, Mumbai(BSE)
Month's High : Month's Low
Price : Price
(No Trading during the year)
- (g) **Registrar and Transfer Agents** :
During the year under review Company appointed M/s Ankit Consultancy Private Limited 202, Alankar Chamber, A. B. Road, Indore-452 001 As its Registrar and Transfer Agents.
- (h) **Share Transfer System** :
The shares lodged for transfer in physical form are processed and the share certificates returned after transfer within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects.
Here, it is informed that the Company has not received any request for transfer of Shares from its shareholders during the year.
- (i) **Registered Office & Plant Location** : Plot No. 110, Sector-I, Industrial Area,
Pithampur, Dist. Dhar(M.P.)
- (j) **Address for correspondence** : 102, 1st Floor, AA-14, Scheme No. 54,
Vijay Nagar, Opposite Satya Sai School, A.B.Road,
Indore-452 010 (M.P.)

By Order of the Board

Place: Indore

Date : 11.08.2008

Chairman & Managing Director

AUDITOR'S CERTIFICATE

**The Members of
Silver Oak (India) Limited,
INDORE**

We have examined the compliance of conditions of corporate governance procedure implemented by Silver Oak (India) Limited for the year ended 31st March, 2008 as stipulated in clause 49 of Listing agreement of the said Company with the Stock Exchange in India.

The compliance of the condition of corporate governance is the responsibility of the mangement. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opionon on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in Clause 49 of the listing agreement (s) with Stock Exchanges.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share holders / Investors Grievances Committee.

We futher state that such compliance is neither as assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For O. T. GANDHI & COMPANY
CHARTERED ACCOUNTANTS**

(O.T. GANDHI)

PROPRITOR

**PLACE : INDORE
DATE : 11-08-2008**

AUDITOR'S REPORT

**The Members of
Silver Oak (India) Limited,
INDORE**

We have audited the attached Balance Sheet of Silver Oak (India) Limited, Indore as at 31st March, 2008 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

(1) As required by the Companies (Auditor's Report) order 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.

(2) Further to our comments in the annexure referred to above, we report that:

- (A) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (B) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of such books.
- (C) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.
- (D) In our opinion, the Balance Sheet, the Profit & Loss Account and the Cash Flow Statement, dealt with by this report comply with the Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956.
- (E) On the basis of written representations received from the Directors, as on 31st March, 2008, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (F) *As Stated in note no. 18 of Schedule no. 20 Sundry debtors includes old out standing aggregating Rs.1,65,370.00 for which no provision has been made in the accounts. For the reasons stated there in, The company is of the opinion that amounts are fully recoverable.*
- (G) As Stated in note no. 19 of Schedule No.20 regarding appointment of the company secretary as required by section 383A of companies Act 1956.

Subject to above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India.

- (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2008 and
- (ii) In the Profit and Loss account of the profit of the Company for the year ended on that date.
- (iii) In the case of the Cash Flow Statement of the cash flow for the year ended on that date.

PLACE : **INDORE**
DATE : **11th AUGUST,2008**

For **O.T. GANDHI & COMPANY**
CHARTERED ACCOUNTANTS

(O.T.GANDHI)
PRPPRIETOR
M No.01585

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 thereof)

Annexure referred to in paragraph 3 of our report of even date :

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The Fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) None of the substantial part of fixed assets has been disposed off during the year.
2. (a) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
(c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured to / from companies, firms or parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) The company has taken loan secured or unsecured from one party covered in the register maintained under section 301 of the companies Act, 1956 and the maximum amount outstanding during the year is 3,00,000.00.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods. During the course of audit we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, transactions that need to be entered into a register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, these transactions have been made at prices, which are reasonable having regard to prevailing market price at the relevant time.
6. The company has not accepted any deposit from the public and hence directives issued by the reserve bank of India, the provision of section 58 A and 58 AA of the companies act 1956 and Rules framed there under are not applicable for the year under audit.
7. The company has a system of internal audit which, in our opinion, is commensurate with its size and nature of it business.
8. According to the information and explanations given to us, we are of the opinion that no cost records maintenance has been prescribed by the Central Govt. under Section 209(1) (b) of the Companies Act. 1956.

SILVER OAK (INDIA) LIMITED 2007-2008

9. According to the information and explanations given to us , no undisputed amount payable in respect of provident fund, investor education fund, employees state insurance, income tax, wealth tax, custom duty, excise duty , cess and any other statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable.
10. The company has accumulated losses less then 50% of it's net worth at the end of financial year. The company has not incurred any cash loss in the current financial year and immediately preceding this financial year covered by our audit.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institution and banks.
12. According to the information and explanations given to us, the company has not granted loan and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the company is not a Nidhi / Mutual benefit Fund / Society, the reporting requirement under point no. (xiii) are not applicable to the company.
14. The Company is not dealing or trading in trading in shares, security, debenture and other investments.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from the banks and financial institutions.
16. In our opinion, there were no term loan obtained by company in the preceding year hence clause 16 not applicable.
17. According to the information and explanations given to us and on an overall examination of the Books of Accounts and Balance Sheet of the company, we report that funds raised on short-term basis have not been used for long term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
18. The company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the companies Act, 1956.
19. The company has not issued debentures to the raise the funds.
20. The company has not raised any funds by Public Issue during the year.
21. According to the information and explanations given to us, we are report that there is no fraud on or by the company has been noticed or reported during the course of our audit.

PLACE : **INDORE**
DATE : **11th AUGUST,2008**

For **O.T. GANDHI & COMPANY**
CHARTERED ACCOUNTANTS

(O.T.GANDHI)
PROPRIETOR
M No.01585

SILVER OAK (INDIA) LIMITED 2007-2008

BALANCE SHEET AS AT 31st MARCH , 2008

SCHEDULE		31-03-2008	31-03-2007
[I]. SOURCES OF FUNDS			
1. SHARE HOLDER'S FUNDS			
(a) Capital	1	31,251,000.00	31,251,000.00
(b) Reserve & Surplus	2	<u>1,054,945.45</u>	<u>800,983.90</u>
		32,305,945.45	32,051,983.90
2. LOAN FUNDS			
(a) Secured Loan	3	5,787,509.17	3,732,790.86
(b) Unsecured Loan	4	<u>-</u>	<u>253,961.55</u>
		5,787,509.17	3,986,752.41
TOTAL : Rs.		<u>38,093,454.62</u>	<u>36,038,736.31</u>
[II]. APPLICATION OF FUNDS			
1. FIXED ASSETS			
(a) Gross Block	5	19,257,390.96	18,868,683.96
(b) Less : Depreciation		<u>6,125,423.93</u>	<u>5,512,389.93</u>
Net Block		13,131,967.03	13,356,294.03
(c) Capital Work - in - Progress			130,541.00
		13,131,967.03	13,486,835.03
2. INVESTMENTS	6	50,000.00	50,000.00
DEFERRED TAX ASSET		267,553.00	1,067,725.00
3. CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	7	11,846,795.00	8,310,306.00
(b) Sundry Debtors	8	4,938,421.00	4,390,720.27
(c) Cash and Bank Balance	9	312,677.41	219,185.75
(d) Loans and Advances	10	<u>1,923,025.36</u>	<u>2,143,409.61</u>
		19,020,918.77	15,063,621.63
Less : Current Liabilities & Provisions			
(a) Current Liabilities	11	2,025,782.54	2,806,103.73
(b) Provisions	12	<u>650,059.00</u>	<u>429,553.07</u>
		2,675,841.54	3,235,656.80
NET CURRENT ASSETS		16,345,077.23	11,827,964.83
5. PROFIT & LOSS ACCOUNT		8,298,857.36	9,606,211.45
TOTAL Rs.		<u>38,093,454.62</u>	<u>36,038,736.31</u>
NOTES ON ACCOUNTS	20		0.00
ABSTRACTS TO ACCOUNTS	21		

The Schedule & notes on accounts referred to herein form an integral part of Accounts

AS PER OUR REPORT OF EVEN DATE ATTACHED

For O. T. GANDHI & COMPANY
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(O.T.GANDHI)
PROPRITOR
M.No. 01585

MANAGING DIRECTOR DIRECTOR

PLACE : INDORE
DATE : 11th AUGUST, 2008

SILVER OAK (INDIA) LIMITED 2007-2008

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH, 2008			
SCHEDULE		FOR THE YEAR ENDED 31-03-2008	FOR THE YEAR ENDED 31-03-2007
INCOME			
Sales	13	27,807,183.74	26,184,461.46
Other Income	14		70,919.20
Increase (Decrease) in Stock	15	1,119,877.00	(214,283.54)
TOTAL Rs.		<u>28,927,060.74</u>	<u>26,041,097.12</u>
EXPENDITURE			
Materials	16	9,483,004.06	10,264,913.09
Manufacturing, Admn. & Selling Exp.	17	14,064,066.84	11,785,447.11
Employees Remuneration & Welfare	18	1,801,173.00	944,172.00
Financial Expenses	19	691,756.74	688,703.10
Depreciation		613,034.00	586,161.00
TOTAL Rs.		<u>26,653,034.64</u>	<u>24,269,396.30</u>
Profit / (Loss) before Taxation		2,274,026.09	1,771,700.82
Provision for Taxation		966,672.00	-
Income Tax	137,000.00		-
Deferred Tax	800.172		763,981.00
Frienge Benefit Tax	29,500		21,795.00
PROFIT / (LOSS) AFTER TAXATION		<u>1,307,354.09</u>	<u>985,924.82</u>
Profit / (Loss) for the year		1,307,354.09	985,924.82
Brought Down from Previous Year		(9,606,211.45)	(10,592,136.27)
PROFIT / (LOSS) CARRIED TO BALANCE SHEET		<u>(8,298,857.36)</u>	<u>(9,606,211.45)</u>
NOTES ON ACCOUNTS	20		
ABSTRACT TO ACCOUNTS	21		
The Schedule & notes on accounts referred to herein form an integral part of Accounts			
AS PER OUR REPORT OF EVEN DATE ATTACHED			
For O. T. GANDHI & COMPANY CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF THE BOARD	
(O.T.GANDHI) PROPRITOR M.No. 01585		MANAGING DIRECTOR	DIRECTOR
PLACE : INDORE			
DATE : 11th AUGUST, 2008			

SILVER OAK (INDIA) LIMITED 2007-2008

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2008		
PARTICULARS	31-03-2008	31-03-2007
SCHEDULE '1' OF SHARE CAPITAL		
<u>AUTHORISED</u>		
42,50,000 Equity Shares of Rs.10/- Each	42,500,000.00	42,500,000.00
<u>ISSUED</u>		
38,60,000 Equity Shares of Rs.10/- each (Previous Year 38,60,000 equity Shares of Rs.10/- each)	38,600,000.00	38,600,000.00
<u>SUBSCRIBED AND PAID-UP CAPITAL</u>		
37,90,200 equity shares of Rs.10/- each fully paid up. (Previous year 37,90,200 equity shares of Rs.10/- each).	37,902,000.00	37,902,000.00
Less : Allotment Money in Arrear (Other than Directors) Of the above (7,36,000 Equity Shares have been issued as Bonus Shares by Capitalisation of its Revaluation Reserve of Rs.60,77,973.95 and General Reserve of Rs.12,82,026.05)	6,651,000.00	6,651,000.00
TOTAL Rs.	31,251,000.00	31,251,000.00
<u>SCHEDULE '2' OF RESERVE & SURPLUS</u>		
General Reserve	1,054,945.45	800,983.90
TOTAL Rs.	1,054,945.45	800,983.90
<u>SCHEDULE '3' OF SECURED LOANS</u>		
1. From State Bank of Travancore, CC Loan	5,707,389.47	3,551,726.43
2. From ICICI Bank	80,119.70	181,064.43
TOTAL Rs.	5,787,509.17	3,732,790.86
<p>Note : 1 - Secured against Hypothecation of all stocks of Raw Material, Packing Material Stock - in - process, Finished Goods and Book Debts and other Current Assets of the Company and are collaterally secured against Equitable Mortgage of the existing land & Building of the Company and Hypothecation of Plant & Machinery and personally Guaranteed by the one director of the Company and his family members.</p> <p>2 - Secured against Hypothecation of Car</p>		
<u>SCHEDULE '4' OF UNSECURED LOANS</u>		
From Others	-	253,961.55
TOTAL Rs.	-	253,961.55
<u>SCHEDULE '6' OF INVESTMENT (AT COST)</u>		
<u>UNQUOTED</u>		
National Savings Certificate (5 Certificate of Rs.10000/- each)	50,000.00	50,000.00
TOTAL Rs.	50,000.00	50,000.00

SCHEDULE "5" OF FIXED ASSETS FOR THE YEAR 2007-2008

S. NO.	PARTICULARS	RATE OF DEPRECIATION	AS ON 01.04.2007	ADDITIONS	DEDUCTIONS	TOTAL AS ON 31-03-2008	VALUE AFTER REVALUATION & ADDITION	DEPRECIATION UPTO 31.03.2007	DEPRECIATION FOR THE PERIOD	DEDUCTION	DEPRECIATION UPTO 31.03.2008	NET BLOCK AS ON 31.03.2008 (AFTER REVALUATION)	NET BLOCK AS ON 31.03.2007 (AFTER REVALUATION)
1	LAND	0.00 %	41,503.75			41,503.75	363,938.00					363,938.00	363,938.00
2	FACTORY BUILDING	3.34 %	4,841,134.01			4,841,134.01	6,906,473.40	1,945,795.42	161,694.00		2,107,489.42	4,798,983.98	4,960,677.98
3	WELL	1.63 %	33,694.50			33,694.50	52,746.10	10,458.98	549.00		11,007.98	41,738.12	42,287.12
4	PLANT & MACHINERY	4.75 %	7,402,291.66	369,706.00		7,771,997.66	10,646,886.13	3,169,813.70	364,375.00		3,534,188.70	7,112,697.43	7,107,366.43
5	ELECTRIC INSTALLATION	4.75 %	107,987.60			107,987.60	253,355.23	78,376.93	5,129.00		83,505.93	169,849.30	174,978.30
6	LABORATORY EQUIPMENTS	4.75 %	28,685.20			28,685.20	28,685.20	22,016.85	1,363.00		23,379.85	5,305.35	6,668.35
7	FURNITURE & FIXTURES	6.33 %	273,405.00			273,405.00	273,405.00	146,908.00	17,307.00		164,215.00	109,190.00	126,497.00
8	FIRE EXTINGUISHERS	4.75 %	19,550.00			19,550.00	19,550.00	9,653.83	929.00		10,582.83	8,967.17	9,896.17
9	MOTOR CAR	9.50 %	407,432.00			407,432.00	407,432.00	39,448.00	38,706.00		78,154.00	329,278.00	367,984.00
10	TYPE WRITER	4.75 %	8,064.90			8,064.90	8,064.90	6,814.22	383.00		7,197.22	867.68	1,250.68
11	OFFICE EQUIPMENTS	4.75 %	201,365.00	19,001.00		220,366.00	202,366.00	78,953.00	10,347.00		89,300.00	131,066.00	122,412.00
12	COMPUTER & ACCESSORIES	16.21 %	75,301.00			75,301.00	75,301.00	3,010.00	12,206.00		15,216.00	60,085.00	72,291.00
13	CYCLE	7.07 %	1,188.00			1,188.00	1,188.00	1,141.00	46.00		1,187.00	1.00	47.00
	TOTAL		13,441,602.62	388,707.00		13,830,309.62	19,257,390.96	5,512,389.93	613,034.00		6,125,423.93	13,131,967.03	13,356,294.03
	PREVIOUS YEAR		13,122,513.62	319,089.00		13,441,602.62	18,868,683.96	4,926,228.93	586,161.00		5,512,389.93	13,486,835.03	13,753,907.03

SILVER OAK (INDIA) LIMITED 2007-2008

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31st MARCH, 2008		
PARTICULARS	31-03-2008	31-03-2007
CURRENT ASSETS LOANS & ADVANCES		
(As certified by the Management)		
CURRENT ASSETS		
SCHEDULE '7' OF INVENTORIES		
(At Cost or net realisable value whichever is lower and as certified by the management).		
Finished Goods	5,447,765.00	4,708,568.00
Raw Material	1,977,265.00	771,450.00
Packing Material	3,182,340.00	1,933,923.00
Essence	359,931.00	291,992.00
Consumable Goods	129,225.00	234,784.00
Work - in - Process	750,269.00	369,589.00
TOTAL Rs.	11,846,795.00	8,310,306.00
SCHEDULE '8' OF SUNDRY DEBTORS		
(Unsecured Considered Goods)		
Less than Six months :	3,161,999.00	2,334,261.27
More than Six months :	1,776,422.00	2,056,459.00
TOTAL Rs.	4,938,421.00	4,390,720.27
SCHEDULE '9' OF CASH AND BANK BALANCE		
Cash in Hand	242,994.00	129,656.60
Bank Balances		
With Scheduled Banks in Current Accounts	69,683.41	89,529.15
TOTAL Rs.	312,677.41	219,185.75
SCHEDULE '10' OF LOANS AND ADVANCES		
(Advance recoverable in Cash or in kind or for value to be received).		
Prepaid Expenses	716,624.81	833,775.61
Advance Income Tax	102,490.00	40,428.00
VAT	-	4,760.00
Frienge Benefit Tax	18,000.00	12,000.00
Advance to others	-	25,000.00
Advance paid against supply of goods	676,195.55	342,181.00
Interest Receivable	-	15,000.00
Sundry Deposits	409,715.00	870,265.00
TOTAL Rs.	1,923,025.36	2,143,409.61
SCHEDULE '11' OF CURRENT LIABILITIES		
A) Sundry Creditors		
1) For Goods	1,767,889.54	2,577,082.73
2) For Expenses	174,011.00	95,139.00
B) Advance received against supply of Goods	83,882.00	133,882.00
TOTAL Rs.	2,025,782.54	2,806,103.73

SILVER OAK (INDIA) LIMITED 2007-2008

SCHEDULE '12' OF PROVISIONS		
Provision for Expenses	482,199.00	322,854.35
T.D.S. Payable	-	11,351.00
Freing Benefit Tax Payable	29,500.00	21,795.00
Income Tax payable	137,000.00	-
C.S.T. Payable	1,360.00	-
Service Tax Payable	-	1,596.00
Sales Tax Payable - IMFL Division	-	60,119.66
Turnover Tax Payable	-	11,837.06
TOTAL Rs.	650,059.00	429,553.07
SCHEDULE '13' OF SALES		
1. LIQUOR		
Sales - M.P. - IMFL Division	25,516,349.74	22,021,407.46
Sales - M.P. - PH Division	648,797.00	736,702.00
Sales - Interstate - IMFL Division	1,278,750.00	3,070,000.00
Sales - Interstate - PH Division	363,287.00	356,352.00
	27,807,183.74	26,184,461.46
SCHEDULE '14' OTHER INCOME		
Liabilities no longer payable, write off	-	70,919.20
TOTAL Rs.	-	70,919.20
SCHEDULE '15' INCREASE / DECREASE IN STOCK		
CLOSING STOCK		
Finished Goods	5,447,765.00	4,708,568.00
Work - in - Process	750,269.00	369,589.00
TOTAL (A) : Rs.	6,198,034.00	5,078,157.00
OPENING STOCK		
Finished Goods	4,708,568.00	4,642,392.64
Work-in-Process	369,589.00	650,047.90
TOTAL (B) : Rs.	5,078,157.00	5,292,440.54
Increase / (Decrease) in Stock (A - B)	1,119,877.00	(214,283.54)
SCHEDULE '16' OF MATERIAL		
(i) Consumption of Material		
OPENING STOCK		
i) Raw Material	771,450.00	1,647,336.69
ii) Essence	291,992.00	397,597.00
iii) Consumable Goods	234,784.00	303,869.00
Add : Purchase		
i) Raw Material	1,02,09,104.50	
Finished Goods	9,108.00	
Essence	1,71,218.00	
	10,389,430.50	8,669,392.00
ii) Consumable Goods	261,768.56	544,944.40
TOTAL (A) : Rs.	11,949,425.06	11,563,139.09
Less : Closing Stock		
i) Raw Material	1,977,265.00	771,450.00
ii) Essence	359,931.00	291,992.00
iii) Consumable Goods	129,225.00	234,784.00
TOTAL (B) : Rs.	2,466,421.00	1,298,226.00
TOTAL (A - B) : Rs.	9,483,004.06	10,264,913.09

SILVER OAK (INDIA) LIMITED 2007-2008**SCHEDULE '17' OF MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES**

1. Packing Material Consumed	7,609,240.84	7,078,925.46
2. Fees	1,334,657.65	1,127,143.30
3. Freight & Cartage	1,073,153.00	650,209.00
4. Electric & Water charges	588,539.00	478,431.00
5. Repair & Maintenance	190,538.00	102,714.00
6. Director Remuneration	180,000.00	180,000.00
7. Stationery & Printing	44,571.00	33,704.00
8. Postage, Telephone & Pager Exp.	253,289.69	194,240.05
9. Rent	180,000.00	174,000.00
10. Insurance Charges	58,833.15	62,903.70
11. Legal & Professional Exp.	144,999.00	88,485.00
12. Taxes	771,508.00	202,376.00
13. Transport Fee	810,000.00	750,000.00
14. Travelling & Conveyance expenses	273,655.00	61,117.00
15. Miscellaneous Expenses	20,659.51	78,430.60
16. Bottling charges	505,248.00	522,768.00
16. Sales Pramotion Expenses	25,175.00	-
TOTAL : Rs.	<u>14,064,066.84</u>	<u>11,785,447.11</u>

Note :- Packing Material consumption includes damage goods.

SCHEDULE '18' EMPLOYEE REMUNERATION & WELFARE

Salary & Benefits	1,483,574.00	933,165.00
Providend Fund	27,212.00	6,804.00
E.S.I.C.	16,111.00	4,203.00
Gratuity	274,276.00	
TOTAL : Rs.	<u>1,801,173.00</u>	<u>944,172.00</u>

SCHEDULE '29' FINANCIAL EXPENSES

Interest to Bank & Others (Net)	622,323.00	630,258.00
Bank charges	69,433.74	58,445.10
TOTAL : Rs.	<u>691,756.74</u>	<u>688,703.10</u>

SILVER OAK (INDIA) LIMITED 2007-2008

SCHEDULE '20' OF ACCOUNTING POLICY AND NOTES ON ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of Accounts : The accounts have been prepared in accordance with historical cost convention, applicable accounting standard issued by the Institute of Chartered Accountant of India and relevant provisions of the companies Act 1956. following accrual method of accounting except for Gratuity which is being accounted for on payment basis.
2. Fixed Assets :
 - (a) Land, Factory Building and Plant & Machinery are stated at the revalued amount less accumulated depreciation.
 - (b) Other assets are recorded at cost of acquisition less accumulated depreciation.
3. Investments : Long Term investment are valued at cost. Provision for diminution in the value of long term investment is made, only if such decline is other than temporary in value in the opinion of the management
4. Depreciation :
 - (a) Depreciation is provided using the Straight Line Method at the rates specified in schedule XIV of the Companies Act, 1956.
 - (b) Depreciation on additions during the year is provided on pro-rata basis from the date of addition.
 - (c) In case of revalued assets, depreciation has been charged on the original cost of that assets.
5. Inventories : Inventories are valued as under and taken as certified by the management.

Raw Material	At cost
Finished Goods	At cost or net realization value which ever is less
Work-in-Process	At estimated cost at percentage of completion

The company has adopted FIFO method
6.
 - (a) Revenue Recognition : Sales of Goods are recognised as of the date of dispatch. Sales figures are net of rebate, discount, claims etc.
 - (b) Income from investment accounted for accruals basis.
7. Retirement Benefits : The company has obtained group Gratuity Insurance policy from LIC of India to cover its Gratuity liability and is making annual payment of the liability calculated by them. Provident Fund Cost is accounted as per provision of said Act. Encashment of leave accumulated while in service is at option of the employee and is accounted for as and when claimed, hence not provided for.
8. Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets & liabilities have been computed on the timing difference applying the enacted tax rates.
9. Goods in transit indicates goods with excise department
10. Intangible assets : Intangible assets are recognized on the basis of recognition criteria as set out in Accounting Standard (AS) – 26 'Intangible Assets' issued by the institute of Chartered Accountants of India.
11. Impairment of Assets : In accordance with the account statement (AS- 28) in "Improvement of Assets" issued by ICAI. During the year the Company reassessed its fixed assets and is of the view that no impairment / reversal is considered to be necessary in view of its value realizable.
12. Consistency : These financial statement have been prepared in the basis of consistent with previous years and accounting policies not specifically referred here to are consistent with generally accepted accounting principal.

II. NOTES ON ACCOUNTS

1. **Contingent Liabilities** : Contingent liability that may arise due to delayed, non compliance of

SILVER OAK (INDIA) LIMITED 2007-2008

certain fiscal law, amount of which is un ascertain.

2. In our opinion and to the best of our knowledge and belief the aggregate value of current assets and loans and advances on realization in the ordinary course of business will not be less than the amount at which they are stated in the balance sheet.

3. Remuneration of Directors :-	2007-2008	2006-2007
Remuneration	1,80,000.00	1,80,000.00
Rent - Accommodation	1,08,000.00	1,08,000.00
4. Payments to Auditors (Including Service Tax).		
For Statutory Audit	8,980.00	8,980.00
For Tax Audit	2,250.00	2,250.00
	11,230.00	11,230.00

5. Additional information pursuant to the provisions of Para 3 & 4 of part II of the Companies Act, 1956 as certified by the Directors are as under :-

a. Particulars of Capacity	2007-2008	2006-2007
(I) Licensed Capacity	181500 Cases	181500 Cases
(II) Installed Capacity	275600 Cases	275600 Cases
(III) Actual Production		
- At Pithampur	80653 Cases	83774 Cases

NOTE : The company has applied for Enhancement of Licenced Capacity to 405000 Cases which has been provisionally approved by DIC.

- b (i) **Details of Raw Material (Rectified Spirit, Malt Spirit & E.N.A.)**

i) **Opening Stock**

Qty. In Ltrs. (At Pithampur)	13745.00	21369.40
Value In Rs. (At Pithampur)	6,40,942.00	14,74,477.69
Value of Others	728.00	

ii) **Purchases**

Qty. In Ltrs. (At Pithampur)	324000.00	327000.00
Value In Rs. (At Pithampur)	76,23,000.00	79,26,025.00
Value of Others	5,76,600.00	5,32,605.00

iii) **Consumption**

Qty. In Ltrs. (At Pithampur)	327795.00	334624.40
Value In Rs. (At Pithampur)	63,95,321.00	87,59,560.69
Value of Others	5,64,068.00	5,31,877.00

iv) **Closing Stock**

Qty. In Ltrs. (At Pithampur)	9950.00	13745.00
Value In Rs. (At Pithampur)	18,68,621.00	6,40,942.00
Value of Others	13,260.00	728.00

- b (ii) **Details of Raw Material (Pharma Division)**

i) **Opening Stock**

Value In Rs. (At Pithampur)	1,29,780.00	1,72,859.00
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ii) **Purchases**

Value In Rs. (At Pithampur)	1,37,010.00	1,64,678.00
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iii) **Consumption**

Value In Rs. (At Pithampur)	1,71,406.00	2,07,757.00
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iii) **Closing Stock**

Value In Rs. (At Pithampur)	95,384.00	1,29,780.00
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SILVER OAK (INDIA) LIMITED 2007-2008

Particulars	2007-2008	2006-2007
C. I.M.F.L.		
i) Opening Stock		
Quantity	18878.39 Cases	17077.69 Cases
Value In Rs.	47,08,568.00	46,42,392.65
ii) Sales		
Quantity	78134.00 Cases	81271.00 Cases
Value In Rs.	2,67,95,099.74	2,50,91,407.46
iii) Closing Stock		
Quantity	21207.35 Cases	18878.39 Cases
Value In Rs.	54,47,765.00	47,08,568.00

NOTE :-The above information are as per calculation and verification by and certification of management.

6. The company has not received any intimation from suppliers regarding the status under The Micro, Small and Medium Enterprises Development Act 2006 and hence disclosure, if any, relating to the amount unpaid as at year end together with interest paid/payable as required under the act have not been given.
7. Expenditure in foreign currency – Rs. NIL. (Previous year – Rs. NIL-).
Earnings in foreign currency – Rs. NIL. (Previous year – Rs. NIL-).
8. The previous year figures have been reworked, regrouped and reclassified wherever necessary so as to make them comparable with current year classifications.
- 9 Segment reporting (AS 17)

S. No. Particulars	2007-2008	2006-2007
	Rs. In lacs	Rs. in lacs
1. Segment revenue (net sales / Income)		
a. I.M.F.L.	267.95	250.91
b. Pharma Division	10.12	10.93
Total	278.07	261.84
Less : Inter Segment Revenue	-	-
Net Sales / Income from operation	278.07	261.84
2. Segment Results		
Profit / (Loss) before interest & tax		
a. I.M.F.L.	69.55	51.17
b. Pharma Division	4.81	5.53
Total	74.36	56.70
Less :		
a. Interest	6.22	6.30
b. Other un-allocable expenditure net off un-allocable income	45.40	32.68
3. Total Profit / (Loss) before tax	22.74	17.72

SILVER OAK (INDIA) LIMITED 2007-2008

10. Transaction with related parties during the year & outstanding balance as on 31.03.2008 is as under :-

	Key Management person	Balance outstanding
Remuneration	180000/-	—
Accommodation	108000/-	—

Key management person :- Sanjeev Dhody (Managing Director)

11. Earning per Share – Profit computation for both basic and diluted earning per share of Rs. 10/- each.

	As on 31.03.2008	As on 31.03.2007
Net profit / (loss) available for equity share holders.	22,74,026/-	17,71,701/-
No. of share outstanding	37,90,200	37,90,200
Basic and diluted earning per equity share face value of Rs.10/- each	0.60	0.47

12. Deferred Tax

Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets & liabilities have been computed on the timing difference applying the enacted tax rates.

Deferred tax asset are Rs. 17,35,951 as on 31.03.2008 (Previous year 27,45,117.00) constituting mainly at unabsorbed depreciation and business loss,

Deferred Tax liability is Rs. 14,68,398.00 as on 31.03.2008 (Previous year 16,77,392.00) in accordance with accounting standard 22 "Accounting for Taxes on Income" issued by ICAI.

13. The current tax is amount of tax payable on the taxable income for the year as determined accordance with the under section 115JB of Income tax Act 1961.
14. Sundry debtors includes Rs. 1,65,370/- (previous year 1,65,370/-) due from some of the customers of the company . The company is of the opinion that the amount is fully recoverable on completion of final settlement which is in progress. The company is confident of recovering the amount.
15. The vacancy in the post of company secretary is yet to be filled

**SCHEDULE '23' OF ABSTRACT OF ACCOUNTS AND
COMPANY'S GENERAL BUSINESS PROFILE**

Information pursuant to notification No. GSR 388(E) dated 15-05-1995 published in the Official Gazette of India by the Ministry of Law, Justice and Company Affairs under Section 641(1) of the Companies Act, 1956.

I. Registration Details

Registration No.

0	0	2	6	3	5
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 State Code

1	0
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Balance Sheet

3	1		0	3		0	8
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Date Month Year

**II. Capital Raised during the year
(Amount in Rs. Thousand)**

<p>Public Issue</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table> <p>Bonus Issue</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	N	I	L	-	-	-	-	-	N	I	L	-	-	-	<p>Right Issue</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table> <p>Private Placement</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>N</td><td>I</td><td>L</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	N	I	L	-	-	-	-	-	N	I	L	-	-	-
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-	-	N	I	L	-	-	-																										
-	-	N	I	L	-	-	-																										
-	-	N	I	L	-	-	-																										

**III. Position of Mobilisation and Deployment of Funds
(Amount in Rs. Thousand)**

<p>Total Liabilities</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>3</td><td>8</td><td>0</td><td>9</td><td>3</td></tr></table> <p>Source of Funds</p> <p>Paid-Up Capital</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>3</td><td>1</td><td>2</td><td>5</td><td>1</td></tr></table> <p>Secured Loans</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>5</td><td>7</td><td>8</td><td>8</td></tr></table> <p>Application Funds</p> <p>Net Fixed Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>1</td><td>3</td><td>1</td><td>3</td><td>2</td></tr></table> <p>Net Current Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>1</td><td>6</td><td>3</td><td>4</td><td>5</td></tr></table> <p>Accumulated Losses</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>8</td><td>2</td><td>9</td><td>9</td></tr></table>	0	0	0	3	8	0	9	3	0	0	0	3	1	2	5	1	0	0	0	0	5	7	8	8	0	0	0	1	3	1	3	2	0	0	0	1	6	3	4	5	0	0	0	0	8	2	9	9	<p>Total Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>3</td><td>8</td><td>0</td><td>9</td><td>3</td></tr></table> <p>Reserves & Surplus</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>1</td><td>0</td><td>5</td><td>5</td></tr></table> <p>Unsecured Loans</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table> <p>Investments</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>5</td><td>0</td></tr></table> <p>Deferred Tax Assets</p> <table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>2</td><td>6</td><td>8</td></tr></table>	0	0	0	3	8	0	9	3	0	0	0	0	1	0	5	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	0	0	0	0	0	2	6	8
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SILVER OAK (INDIA) LIMITED 2007-2008

IV. Performance of Company
(Amount in Rs. Thousand)

Turnover								Total Expenditure							
0	0	0	2	7	8	0	7	0	0	0	2	5	5	3	3
Profit / (Loss) Before Tax								Profit / (Loss) After Tax							
0	—		0	2	2	7	4	0	—		0	1	3	0	8
Earning Per Share in Rs.								Dividend Rate %							
-	-	-	-	0	.	6	0		-	-	N	I	L	-	

V. Generic Names of Three Principal Products. (As per monetary terms).

1. Item Code No.
(I T C Code)

- - - N A - - -

Product Description

- - I N D I A N

- - - M A D E

- F O R E I G N

- - L I Q U O R

2. Item Code No.
(I T C Code)

0 1 2 4

Product Description

F O O D

P R O D U C T S

3. Item Code No.
(I T C Code)

- - - N A - - -

Product Description

- - - N I L - - -

4. Item Code No.
(I T C Code)

- - - N A - - -

Product Description

- - - N I L - - -

SILVER OAK (INDIA) LIMITED 2007-2008

CASH FLOW STATEMENT FOR THE YEAR ENDED AT 31st MARCH 2008

	Year Ended at 31.03.2008	Year Ended at 31.03.2007
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	2,274,026.09	1,771,700.82
Depreciation	613,034.00	586,161.00
Public Issue Expenses Written Off	-	-
Investment Income	-	-
Profit / Loss on Sale of Fixed Assets	-	-
Extra Ordinary Item	-	-
Previous year Adjustment	-	-
Operating Profit Before Working Capital changes	2,887,060.09	2,357,861.82
Adjustment for Trade Receivables	(547,700.73)	(239,561.16)
Inventories	(3,536,489.00)	838,807.24
Loans & Advances	220,384.25	(175,692.00)
Trade & Other payables	(726,315.26)	(157,676.95)
Direct Taxes paid	-	-
Cash Generated from (used in) operations	(1,703,060.65)	2,623,738.95
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Add: INFLOWS FROM INVESTING ACTIVITIES		
Sales of Fixed Assets (Net)	-	-
Investment Income	-	-
Less: OUTFLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(258,166.00)	(319,089.00)
Net Cash used in Investing Activities	(258,166.00)	(319,089.00)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Add: INFLOWS FROM FINANCING ACTIVITIES		
Proceeds from Arrears in Calls	-	-
Secured Loans	2,054,718.31	(1,252,083.86)
Unsecured Loans	-	(1,000,000.00)
	2,054,718.31	(2,252,083.86)
Less: OUTFLOWS FROM FINANCING ACTIVITIES		
Public Issue Expenses	-	-
Net Cash generated from financing activities	2,054,718.31	(2,252,083.86)
Net changes in Cash & Cash Equivalents (A+B+C)	93,491.66	52,566.09
Cash & Cash Equivalents - Opening Balance	219,185.76	166,619.67
Cash & Cash Equivalents - Closing Balance	312,677.41	219,185.76
ANNEXURE		
BREAK - UP OF CASH & CASH EQUIVALENTS		
Cash & Bank Balances	312,677.41	219,185.76
Bank Overdraft	-	-
Cash & Cash Equivalents	312,677.41	219,185.76

For and on behalf of the board

AUDITOR'S CERTIFICATE

We have verified the attached Cash Flow Statement of SILVER OAK (INDIA) LTD., Indore for the year ended 31st March, 2008 prepared by the Company and certify that the statement has been derived from the account of the Company audited by us and has been prepared in accordance almost to the Stock Exchange Listing requirements.

For O.T. GANDHI & COMPANY
CHARTERED ACCOUNTANTS

Place : **INDORE**
Date : **11th AUGUST, 2008**

(O.T. GANDHI)
PROPRIETOR

SILVER OAK (INDIA) LIMITED 2007-2008

SILVER OAK (INDIA) LIMITED

Regd. Office : Plot No.110, Sector-I, Industrial Area, Pithampur, Dist. Dhar (M.P.)

(PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL)

ATTENDANCE SLIP

24th ANNUAL GENERAL MEETING

Plot No.110, Sector-I, Industrial Area, Pithampur, Dist. Dhar (M.P.)

Tuesday, 30th September, 2008 at 11.00 a.m.

Member's Name (in capital letters) _____

Folio No. _____ No. of Share Held _____

Member's Signature

Proxy's Name (in Capital Letters) _____

Proxy's Signature

----- Cut Here -----

SILVER OAK (INDIA) LIMITED

Regd. Office : Plot No.110, Sector-I, Industrial Area, Pithampur, Dist. Dhar (M.P.)

PROXY FORM

I/We _____ of

being a member/s of the company, hereby appoint _____

of _____ in District of _____

or failing him _____ of _____ in the District of _____

_____ in the District of _____ as my/our Proxy to vote for me/our

behalf at the 24th Annual General Meeting of the Company to be held on **Tuesday, 30th September, 2008 at 11.00 a.m.** or any adjournment thereof.

My/Our Registered Folio No. is _____

Signed this _____ day of _____ 2008.

Afix
1 Rupees
revenue
stamp

N.B.: This proxy form must be deposited at the Registered Office of the Company at Plot No.110, Sector-I, Industrial Area, Pithampur, Dist. Dhar (M.P.) not later than 48 hours before the time for holding the meeting.

BOOK POST
(Printed Matter)

If Undelivered Please return to :
SILVER OAK (INDIA) LIMITED
Plot No. 110, Sector-I, Industrial Area,
Pithampur Dist, Dhar M.P.